

20th October 2005

Lloyds TSB - Financial Consultants

Financial Consultants Threatened With PIPs

In LTU's recent Salesforce survey, 45.81% (41.9%)* of Financial Consultants said that they felt pressurised to sell products to customers which they knew they didn't need or couldn't afford.

The issue for Lloyds TSB is not that it happens but why it happens? We believe that the main reason is the constant, unremitting pressure to meet demanding sales targets week after week, month after month and year after year. Add to that a management culture which is dominated by 'share of wallet' at the expense of almost everything else and it's not surprising we got the results we did.

The pressure for sales staff to perform is set to become even more demanding next year. In a recent BTV broadcast Terri Dial said that she wanted the retail business to grow by 45% over the next 15 months, a figure which to our knowledge has never been achieved in the past and is more than 10 times the predicted growth in the UK economy next year. **Whilst much**

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Salesforce Survey Results - Financial Consultants

PIP Support for Salesforce Members

of that 45% growth, according to the Bank, will come from mortgage business, that still leaves a potential increase in targets for the Salesforce, the likes of which they have never seen before. And that at a time when many FCs and FPMs are seeing their best customers forcibly migrated to the SFPM.

A further contributory factor, which we will discuss in more detail further on in this Newsletter, is the use of PIP's as a deliberate mechanism to pressurise Financial Consultants to increase their performance. 44.69% (31.08%)* of Financial Consultants said

*FPM figures in brackets

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that they had been threatened with PIP's in order to improve their performance. Whether such threats are made daily, weekly or occasionally, such behaviour on the part of some Line Managers is both unacceptable and counter productive.

Some of the key results from our survey are as follows:

- **59.77% (55.41%)* of Financial Consultants said that they were demotivated with their job and 64.25% (68.92%)* said that they didn't feel valued by the Bank for the role they do.**
- **Two years ago 55% of non-regulated sellers believed that the Balanced Scorecard would make no difference to the way they carried out their role. Today 73.18% (86.49%)* of Financial Consultants believe that the Balanced Scorecard has made no difference to the way they do their role.**
- **69.27% (60.82%)* said that they had seriously thought about leaving the Bank and 47.48% (54.05%)* said they would take voluntary severance/voluntary early retirement tomorrow if it was on offer.**

*FPM figures in brackets

Salesforce Survey - FC s / FPMs

(FC figures in light type and FPM figures in bold type)

On average, how many hours do you work in a typical week?

35 - 40 hours:	8.94%	5.41%	41 - 50 hours:	70.95%	59.46%
51 - 60 hours:	16.76%	25.68%	60+ hours:	2.23%	6.76%

Have you ever been, or are you, on either a 'formal' or 'informal' PIP?

Yes:	29.05%	13.51%	No:	67.04%	82.43%
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If Yes:

a) Was it justified?	Yes:	9.17%	2.35%	No:	19.88%	11.16%
b) Did you get support from your line manager?	Yes:	13.97%	6.75%	No:	13.41%	6.76%
c) Overall was it a positive experience?	Yes:	6.15%	0.00%	No:	21.79%	13.51%
d) Was it used to bully you to improve your performance?	Yes:	14.53%	7.43%	No:	12.85%	6.08%

Have you ever been threatened with a Performance Improvement Plan in order to improve your performance?

Yes:	44.69%	31.08%	No:	48.60%	67.57%
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If Yes, how often have you been threatened?

Daily	Weekly	Occasionally
1.12%	7.26%	35.20%
1.35%	1.35%	28.38%

To what extent do you agree or disagree with the following statements?

	Strongly Agree	Tend to Agree	Hard to Decide	Tend to Disagree	Strongly Disagree
	%	%	%	%	%
Lloyds TSB "is a great place to bank".	3.91 0.00	49.16 48.65	24.02 21.62	17.32 16.22	2.79 10.81
I'm demotivated with my job at the moment.	24.02 18.92	35.75 36.49	9.50 12.16	22.91 25.68	7.26 5.41
The pressure to sell is getting too much.	31.28 32.43	40.78 39.19	10.06 8.11	14.53 17.57	1.68 2.70
I don't feel valued by the Bank for the role I do.	26.26 29.73	37.99 39.19	11.17 9.46	18.99 16.22	5.03 5.41
I've seriously thought about leaving the Bank altogether.	45.81 35.14	23.46 25.68	5.59 21.63	15.08 8.11	10.06 9.46
Local markets have had no impact on the way I do my job.	47.49 52.70	22.91 31.08	16.76 5.41	10.06 5.41	2.23 5.41
We've become too focused on targets to the detriment of customer service.	45.81 44.59	35.75 39.19	7.26 4.05	10.06 10.81	0.56 1.35
Overall, I think I provide my customers with best advice.	68.72 62.16	22.91 32.43	3.35 2.70	1.68 2.70	1.12 0.00
If it was on offer I'd take Voluntary Severance / Voluntary Early Retirement tomorrow.	31.28 32.43	16.20 21.62	18.44 18.92	17.32 17.57	15.08 9.46
I would recommend Lloyds TSB as a good organisation to work for.	2.79 2.70	21.79 24.32	31.84 24.32	29.05 31.08	13.41 17.57
Customer Service is non-existent in Lloyds TSB.	2.23 5.41	11.17 12.16	16.76 16.22	57.54 56.76	11.17 9.46
The Balanced Scorecard has made no difference to the way I do my role.	45.81 55.41	27.37 31.08	12.29 4.05	12.29 8.11	1.68 1.35
The Bank is only interested in my sales performance.	64.80 68.92	30.73 25.68	3.35 1.35	1.12 4.05	0.00 0.00
I feel pressured to sell customers products which I know they don't need or can't afford.	16.20 16.22	29.61 25.68	10.06 13.51	29.05 31.08	14.53 13.51
PIP's are better than moving down levels automatically.	21.23 18.92	37.99 47.30	30.73 20.27	5.59 4.05	3.35 6.76

20th October 2005

Lloyds TSB - Mortgage Specialists

Mortgage Specialists Threatened With PIPs

In LTU's recent Salesforce survey, 39% of Mortgage Specialists, as they are now called, said that they felt pressurised to sell products to customers which they knew they didn't need or couldn't afford.

The issue for Lloyds TSB is not that it happens but why it happens? We believe that the main reason is the constant, unremitting pressure to meet demanding sales targets week after week, month after month and year after year. Add to that a management culture which is dominated by 'share of wallet' at the expense of almost everything else and it's not surprising we got the results we did.

The pressure for Mortgage Specialists to perform is set to become even more demanding next year. In a recent BTV broadcast Terri Dial said that she wanted the retail business to grow by 45% over the next 15 months, a figure which to our knowledge has never been achieved in the past and is some 10 times the predicted growth in the UK economy next year. **Much of that**

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Salesforce Survey Results - Mortgage Specialists

PIP Support for Salesforce Members

45% growth, according to the Bank, will come from mortgage business. But isn't it ironic, wouldn't you say, that you have an American in Bristol saying that the Bank's mortgage business will grow by 30% by the end of next year and an Englishwoman in New York, Helen Weir, Group Finance Director, saying that UK mortgage lending is set to fall from 8.7% in 2005 to 6.9% in 2006. They both can't be right. Moreover, the fact that the C&G and Retail Bank's management teams, many of whom are still around, couldn't deliver the

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kind of growth now being demanded by Terri Dial in 2003 and early 2004, which saw some of the strongest growth in the housing market on record, doesn't bode well for next year.

A further contributory factor, which we will discuss in more detail further on in this Newsletter, is the use of PIP's as a deliberate mechanism to pressurise Mortgage Specialists to increase their performance. 40% of Mortgage Specialists said that they had been threatened with PIP's in order to improve their performance. Whether such threats are made daily, weekly or occasionally, such behaviour on the part of some Line Managers is both unacceptable and counter productive.

Some of the key results from our survey are as follows:

- **65.52% of Mortgage Specialists said that they were demotivated with their job and 81.61% said that they didn't feel valued by the Bank for the role they do.**
- **Two years ago 55% of non-regulated sellers, which includes Mortgage Specialists, believed that the Balanced Scorecard would make no difference to the way they carried out their role. Today 71.27% of Mortgage Specialists believe that the Balanced Scorecard has made no difference to the way they do their role.**

Salesforce Survey - Mortgage Specialists

On average, how many hours do you work in a typical week?

35 - 40 hours:	41.38%
41 - 50 hours:	44.83%
51 - 60 hours:	4.6%
60+ hours:	1.15%

Have you ever been, or are you, on either a 'formal' or 'informal' PIP?

Yes	18.39%	No	74.71%
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If Yes:

a) Was it justified?	Yes	4.6%	No	13.79%
b) Did you get support from your line manager?	Yes	8.05%	No	10.34%
c) Overall was it a positive experience?	Yes	0.0%	No	18.39%
d) Was it used to bully you to improve your performance?	Yes	9.2%	No	6.9%

Have you ever been threatened with a Performance Improvement Plan in order to improve your performance?

Yes 40.23% No 57.47%

If Yes, how often have you been threatened?

Daily Weekly Occasionally
 0.0% 8.03% 32.2%

To what extent do you agree or disagree with the following statements?

	Strongly Agree	Tend to Agree	Hard to Decide	Tend to Disagree	Strongly Disagree
	%	%	%	%	%
Lloyds TSB "is a great place to Bank".	3.45	43.68	25.29	13.79	9.20
I'm demotivated with my job at the moment.	36.78	28.74	9.20	20.69	1.15
The pressure to sell is getting too much.	48.28	29.89	11.49	8.05	0.00
I don't feel valued by the Bank for the role I do.	54.02	27.59	4.60	10.34	1.15
I've seriously thought about leaving the Bank altogether.	50.57	25.29	8.05	10.34	3.45
Local markets have had no impact on the way I do my job.	32.18	21.84	18.39	9.20	13.79
We've become too focused on targets to the detriment of customer service.	54.02	26.44	9.20	5.75	2.30
Overall, I think I provide my customers with best advice.	75.86	18.39	3.45	0.00	0.00
If it was on offer I'd take Voluntary Severance / Voluntary Early Retirement tomorrow.	39.08	13.79	16.09	10.34	17.24
I would recommend Lloyds TSB as a good organisation to work for.	0.00	18.39	21.84	25.29	32.18
Customer Service is non-existent in Lloyds TSB.	2.30	17.24	18.39	51.72	8.05
The Balanced Scorecard has made no difference to the way I do my role.	41.38	29.89	17.24	5.75	2.30
The Bank is only interested in my sales performance.	59.77	33.33	2.30	2.30	0.00
I feel pressured to sell customers products which I know they don't need or can't afford.	13.79	25.29	12.64	35.63	10.34
PIP's are better than moving down levels automatically.	9.20	32.18	44.83	5.75	3.45

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20th October 2005

Lloyds TSB - Personal Account Managers

Personal Account Managers Threatened With PIPs

In LTU's recent Salesforce survey, 54.66% of Personal Account Managers said that they felt pressurised to sell products to customers which they knew they didn't need or couldn't afford.

The issue for Lloyds TSB is not that it happens but why it happens? We believe that the main reason is the constant, unremitting pressure to meet demanding sales targets week after week, month after month and year after year. Add to that a management culture which is dominated by 'share of wallet' at the expense of almost everything else and it's not surprising we got the results we did.

The pressure for sales staff to perform is set to become even more demanding next year.

In a recent BTV broadcast Terri Dial said that she wanted the retail business to grow by 45% over the next 15 months, a figure which to our knowledge has never been achieved in the past and is more than 10 times the predicted growth in the UK economy next year. **Whilst much**

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Salesforce Survey Results - Personal Account Managers PIP Support for Salesforce Members

of that 45% growth, according to the Bank, will come from mortgage business, that still leaves a potential increase in targets for the Salesforce, the likes of which they have never seen before.

A further contributory factor, which we will discuss in more detail further on in this Newsletter, is the use of PIP's as a deliberate mechanism to pressurise Personal Account Managers to increase their performance. 55.63% of Personal Account Managers said that they had been threatened with

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PIP's in order to improve their performance. Whether such threats are made daily, weekly or occasionally, such behaviour on the part of some Line Managers is both unacceptable and counter productive.

Some of the key results from our survey are as follows:

- **71.38% of Personal Account Managers said that they were demotivated with their job and 70.42% said that they didn't feel valued by the Bank for the role they do.**
- **Two years ago 55% of non-regulated sellers, which includes Personal Account Managers, believed that the Balanced Scorecard would make no difference to the way they carried out their role. Today 58.2% of Personal Account Managers believe that the Balanced Scorecard has made no difference to the way they do their role.**
- **73.95% said that they had seriously thought about leaving the Bank and 44.05% said they would take voluntary severance/voluntary early retirement tomorrow if it was on offer.**

Salesforce Survey - PAMs

On average, how many hours do you work in a typical week?

35 - 40 hours:	36.98%
41 - 50 hours:	51.77%
51 - 60 hours:	3.54%
60+ hours:	0.32%

Have you ever been, or are you, on either a 'formal' or 'informal' PIP?

Yes	30.87%	No	67.85%
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If Yes:

a) Was it justified?	Yes	12.54%	No	17.68%
b) Did you get support from your line manager?	Yes	18.65%	No	11.90%
c) Overall was it a positive experience?	Yes	4.50%	No	25.72%
d) Was it used to bully you to improve your performance?	Yes	17.68%	No	11.25%

Have you ever been threatened with a Performance Improvement Plan in order to improve your performance?

Yes	55.63%	No	41.48%
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If Yes, how often have you been threatened?

Daily	Weekly	Occasionally
1.61%	15.11%	38.59%

To what extent do you agree or disagree with the following statements?

	Strongly Agree	Tend to Agree	Hard to Decide	Tend to Disagree	Strongly Disagree
	%	%	%	%	%
Lloyds TSB "is a great place to bank".	9.00	45.02	21.22	16.08	7.07
I'm demotivated with my job at the moment.	39.87	31.51	9.97	13.83	3.86
The pressure to sell is getting too much.	44.69	39.55	7.40	5.79	1.61
I don't feel valued by the Bank for the role I do.	37.62	32.80	11.25	13.18	3.86
I've seriously thought about leaving the Bank altogether.	50.16	23.79	8.68	8.68	7.07
Local markets have had no impact on the way I do my job.	26.69	26.05	22.83	14.79	5.14
We've become too focused on targets to the detriment of customer service.	48.87	31.51	12.22	4.82	1.29
Overall, I think I provide my customers with best advice.	65.27	27.97	3.54	1.61	0.64
If it was on offer I'd take Voluntary Severance / Voluntary Early Retirement tomorrow.	30.87	13.18	22.19	15.76	16.72
I would recommend Lloyds TSB as a good organisation to work for. *	5.14	20.58	30.23	26.05	17.04
Customer Service is non-existent in Lloyds TSB.	5.14	15.76	14.47	48.23	15.43
The Balanced Scorecard has made no difference to the way I do my role.	27.65	30.55	22.51	13.50	2.89
The Bank is only interested in my sales performance.	61.74	29.26	3.54	3.54	0.32
I feel pressured to sell customers products which I know they don't need or can't afford.	15.43	39.23	15.11	19.94	9.32
PIP's are better than moving down levels automatically.	11.58	31.51	36.33	9.97	7.72

20th October 2005

Lloyds TSB - Premier Managers

Premier Managers Threatened With PIPs

In LTU's recent Salesforce survey, 33.34% of Premier Managers said that they felt pressurised to sell products to customers which they knew they didn't need or couldn't afford.

The issue for Lloyds TSB is not that it happens but why it happens? We believe that the main reason is the constant, unremitting pressure to meet demanding sales targets week after week, month after month and year after year. Add to that a management culture which is dominated by 'share of wallet' at the expense of almost everything else and it's not surprising we got the results we did.

The pressure for sales staff to perform is set to become even more demanding next year. In a recent BTV broadcast Terri Dial said that she wanted the retail business to grow by 45% over the next 15 months, a figure which to our knowledge has never been achieved in the past and is more than 10 times the predicted growth in the UK economy next year. **Whilst much**

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Salesforce Survey Results - Premier Managers

PIP Support for Salesforce Members

of that 45% growth, according to the Bank, will come from mortgage business, that still leaves a potential increase in targets for the Salesforce, the likes of which they have never seen before.

A further contributory factor, which we will discuss in more detail further on in this Newsletter, is the use of PIP's as a deliberate mechanism to pressurise Premier Managers to increase their performance. 63.33% of Premier Managers said that they had been threatened with PIP's in order to improve

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their performance. Whether such threats are made daily, weekly or occasionally, such behaviour on the part of some Line Managers is both unacceptable and counter productive.

Some of the key results from our survey are as follows:

- **56.67% of Premier Managers said that they were demotivated with their job and 80% said that they didn't feel valued by the Bank for the role they do.**
- **Two years ago 55% of non-regulated sellers, which includes Premier Managers, believed that the Balanced Scorecard would make no difference to the way they carried out their role. Today 76.67% of Premier Managers believe that the Balanced Scorecard has made no difference to the way they do their role.**
- **83.34% said that they had seriously thought about leaving the Bank and 60% said they would take voluntary severance/voluntary early retirement tomorrow if it was on offer.**

Salesforce Survey - Premier Managers

On average, how many hours do you work in a typical week?

35 -40 hours:	13.33%
41 - 50 hours:	76.67%
51 - 60 hours:	10.00%
60+ hours:	0.0%

Have you ever been, or are you, on either a 'formal' or 'informal' PIP?

Yes 36.67% No 63.33%

If Yes:

a) Was it justified?	Yes	3.33%	No	33.33%
b) Did you get support from your line manager?	Yes	16.67%	No	20.00%
c) Overall was it a positive experience?	Yes	3.33%	No	33.33%
d) Was it used to bully you to improve your performance?	Yes	30.00%	No	6.67%

Have you ever been threatened with a Performance Improvement Plan in order to improve your performance?

Yes 63.33% No 36.67%

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If Yes, how often have you been threatened?

Daily	Weekly	Occasionally
0.0%	6.67%	56.66%

To what extent do you agree or disagree with the following statements?

	Strongly Agree	Tend to Agree	Hard to Decide	Tend to Disagree	Strongly Disagree
	%	%	%	%	%
Lloyds TSB "is a great place to bank".	0.00	36.67	30.00	20.00	13.33
I'm demotivated with my job at the moment.	20.00	36.67	16.67	23.33	0.00
The pressure to sell is getting too much.	46.67	43.33	6.67	3.33	0.00
I don't feel valued by the Bank for the role I do.	53.33	26.67	6.67	13.33	0.00
I've seriously thought about leaving the Bank altogether.	36.67	46.67	6.67	10.00	0.00
Local markets have had no impact on the way I do my job.	50.00	30.00	10.00	10.00	0.00
We've become too focused on targets to the detriment of customer service.	40.00	50.00	3.33	6.67	0.00
Overall, I think I provide my customers with best advice.	86.67	10.00	0.00	3.33	0.00
If it was on offer I'd take Voluntary Severance / Voluntary Early Retirement tomorrow.	50.00	10.00	10.00	20.00	6.67
I would recommend Lloyds TSB as a good organisation to work for.	0.00	10.00	23.33	43.33	23.33
Customer Service is non-existent in Lloyds TSB.	3.33	13.33	20.00	50.00	13.33
The Balanced Scorecard has made no difference to the way I do my role.	40.00	36.67	16.67	6.67	0.00
The Bank is only interested in my sales performance.	60.00	33.33	3.33	3.33	0.00
I feel pressured to sell customers products which I know they don't need or can't afford.	6.67	26.67	16.67	40.00	10.00
PIP's are better than moving down levels automatically.	13.33	43.33	26.67	10.00	6.67

20th October 2005

Lloyds TSB - Privilege Managers

Privilege Managers Threatened With PIPs

In LTU's recent Salesforce survey, 48.4% of Privilege Managers said that they felt pressurised to sell products to customers which they knew they didn't need or couldn't afford.

The issue for Lloyds TSB is not that it happens but why it happens? We believe that the main reason is the constant, unremitting pressure to meet demanding sales targets week after week, month after month and year after year. Add to that a management culture which is dominated by 'share of wallet' at the expense of almost everything else and it's not surprising we got the results we did.

The pressure for sales staff to perform is set to become even more demanding next year. In a recent BTV broadcast Terri Dial said that she wanted the retail business to grow by 45% over the next 15 months, a figure which to our knowledge has never been achieved in the past and is more than 10 times the predicted growth in the UK economy next year. **Whilst much**

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Salesforce Survey Results - Privilege Managers

PIP Support for Salesforce Members

of that 45% growth, according to the Bank, will come from mortgage business, that still leaves a potential increase in targets for the Salesforce, the likes of which they have never seen before.

A further contributory factor, which we will discuss in more detail further on in this Newsletter, is the use of PIP's as a deliberate mechanism to pressurise Privilege Managers to increase their performance. 59.84% of Privilege Managers said that they had been threatened with PIP's in order to improve

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their performance. Whether such threats are made daily, weekly or occasionally, such behaviour on the part of some Line Managers is both unacceptable and counter productive.

Some of the key results from our survey are as follows:

- **76.33% of Privilege Managers said that they were demotivated with their job and 64.9% said that they didn't feel valued by the Bank for the role they do.**
- **Two years ago 55% of non-regulated sellers, which includes Privilege Managers, believed that the Balanced Scorecard would make no difference to the way they carried out their role. Today 72.61% of Privilege Managers believe that the Balanced Scorecard has made no difference to the way they do their role.**
- **69.15% said that they had seriously thought about leaving the Bank and 56.38% said they would take voluntary severance/voluntary early retirement tomorrow if it was on offer.**

Salesforce Survey - Privilege Managers

On average, how many hours do you work in a typical week?

35 - 40 hours:	30.85%
41 - 50 hours:	55.32%
51 - 60 hours:	7.71%
60+ hours:	1.06%

Have you ever been, or are you, on either a 'formal' or 'informal' PIP?

Yes	24.20%	No	74.47%
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If Yes:

a) Was it justified?	Yes	7.98%	No	15.16%
b) Did you get support from your line manager?	Yes	12.63%	No	11.57%
c) Overall was it a positive experience?	Yes	4.52%	No	19.68%
d) Was it used to bully you to improve your performance?	Yes	16.49%	No	6.65%

Have you ever been threatened with a Performance Improvement Plan in order to improve your performance?

Yes	59.84%	No	38.03%
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If Yes, how often have you been threatened?

Daily	Weekly	Occasionally
2.13%	13.03%	44.15%

To what extent do you agree or disagree with the following statements?

	Strongly Agree	Tend to Agree	Hard to Decide	Tend to Disagree	Strongly Disagree
	%	%	%	%	%
Lloyds TSB "is a great place to bank".	5.59	43.09	25.53	19.95	3.19
I'm demotivated with my job at the moment.	34.31	42.02	7.45	11.17	3.99
The pressure to sell is getting too much.	51.06	36.97	5.59	3.99	1.86
I don't feel valued by the Bank for the role I do.	35.64	29.26	16.22	14.10	3.46
I've seriously thought about leaving the Bank altogether.	43.62	25.53	10.37	10.37	9.04
Local markets have had no impact on the way I do my job.	39.89	32.71	12.23	10.37	3.19
We've become too focused on targets to the detriment of customer service.	47.07	36.70	7.71	7.18	1.06
Overall, I think I provide my customers with best advice.	67.02	27.66	2.66	1.33	0.80
If it was on offer I'd take Voluntary Severance / Voluntary Early Retirement tomorrow.	39.36	17.02	12.77	15.43	14.89
I would recommend Lloyds TSB as a good organisation to work for.	2.93	13.56	35.37	32.45	15.43
Customer Service is non-existent in Lloyds TSB.	3.72	14.36	13.30	52.13	16.22
The Balanced Scorecard has made no difference to the way I do my role.	33.51	39.10	10.11	14.63	2.13
The Bank is only interested in my sales performance.	62.50	30.85	2.39	2.39	1.33
I feel pressured to sell customers products which I know they don't need or can't afford.	22.07	26.33	14.36	26.60	9.57
PIP's are better than moving down levels automatically.	8.51	33.78	38.30	7.45	10.37